

Lexington Retirement Board

| PERAC Approval Date | Regulation Number | Investment Regulation/Supplemental Regulation |
|------------------------------------|------------------------------|---|
| October 26, 2004 | 21.01 (2) (3) | In order to expand the range of investment opportunities and to better manage risk, Wellington Management Company's Opportunistic Investment Approach is authorized to utilize long and short positions in certain derivative instruments. These positions would be used to implement pair-wise relative value trades involving various asset classes and subclasses, regions, currencies, and other market segments. The instruments used will be highly liquid, no net leverage will be employed, and there will be no individual stocks sold short. The notational value of such instruments will be limited to 15% of the total market value of the portfolio. |
| July 28, 2004 | 16.08 | In accordance with PERAC Investment Guideline 99-2, the Lexington Retirement Board is authorized to modify its international equity mandate with Wellington Management Company. The Board wishes to increase its exposure to the Pacific Rim, and intends to do so by investing in a new commingled fund, the Wellington Pacific Basin Investment Approach. Pacific Rim stocks already constitute about one quarter of the investment universe in which Wellington currently invests for the Board. Lexington has had a very satisfactory relationship with Wellington for international equity management for over ten years and, based on the depth of the firm's international equity portfolio management and research staff and the excellent performance record of the Pacific Basin product, it feels that this is the most effective and efficient way to achieve greater exposure to that area. The investment team that manages the Pacific Basin product is part of the team that manages the EAFE product in which the Board currently invests, and the investment process and strategy are the same. |